DISTRIBUTION PROTOCOL OF SETTLEMENT FUNDS IN THE LEGION BUSINESS INTERRUPTION INSURANCE CLASS ACTION

GENERAL PRINCIPLES

1. The procedures set forth herein are intended to govern the administration of the settlement agreement entered into in *The Royal Canadian Legion, Victory Branch #317 v. Aviva Insurance Company of Canada*, Court File No. CV-24-00729948-00CL.

2. The administration shall:

   (a) implement and conform to the Settlement Agreement, orders of the Court and this Distribution Protocol;

   (b) employ secure, paperless, web-based systems with electronic registration and record-keeping wherever possible; and

   (c) maximize efficiency and cost-effectiveness in distributing the settlement funds and fulfilling reporting obligations to the Court.

DEFINITIONS

3. For the purpose of this Distribution Protocol, the following definitions apply:

   (a) ***Accountant*** means the firm proposed by Class Counsel and appointed by the Court to complete accounting work necessary to quantify Class Member Claims, including calculation of the Simplified Calculation of Business Income Loss Percentage

(b) ***Accountant's Fees*** means all fees, disbursements, expenses, costs, taxes, and any other amounts incurred or payable by the Plaintiff, Class Counsel or otherwise for the quantification of Class Member Claims.

(c) ***Action*** means the action filed in the Ontario Superior Court of Justice with the title of proceedings *The Royal Canadian Legion, Victory Branch #317 v Aviva Insurance Company of Canada*, bearing Court File No. CV-20-00001041-00CP and then Court File No. CV-24-00729948-00CL.

(d) ***Administration Expenses*** means all fees, disbursements, expenses, costs, taxes, and any other amounts incurred or payable by the Plaintiff, Class Counsel or otherwise for the approval, implementation, administration and operation of this Settlement Agreement, including in relation to translation, the Pre-Approval Notice Plan and Settlement Approval Notice Plan and providing the Pre-Approval Notice and Settlement Approval Notice, administering the Trust Account, and the Settlement Administrators' expenses in implementing and administering the Pre-Approval Notice Plan, the Settlement Approval Notice Plan, the Distribution Protocol, and the claims process as provided in the Distribution Protocol

(e) ***Carriage Order*** means the Order of Belobaba J. dated January 19, 2021, granting carriage of the Action to the Plaintiff, except the claims brought in *Matt McCallum et al v Aviva Insurance Company of Canada et al,* CV-20-0000981-00CP (the "**Denturists Action**") and *Nordik Windows Inc et al v*

Aviva Insurance Company of Canada, CV-20-00643386-00CP **(the "Nordik Action")**.

(f) ***Certification Order*** means the Order of Belobaba J. dated July 27, 2021, certifying the Action as a class proceeding.

(g) ***Claim*** means the online claims form, or if requested and authorized by the Claims Administrator, to paper form, that a Class Member must complete and submit with required documentation, before the Claims Filing Deadline in order to be considered to receive settlement benefits under this Distribution Protocol.

(h) ***Claims Administrator*** means the firm proposed by Class Counsel and appointed by the Court to administer the distribution of the Settlement Funds in accordance with the provisions of this Distribution Protocol and any related Court orders.

(i) ***Claims Filing Deadline*** means the date by which Claims (and any required supporting documentation) must be electronically submitted in order for Class Members to be considered for settlement benefits under this Distribution Protocol, which date shall be 11:59 pm EST on the date that is one hundred and eighty (180) calendar days after the first publication of the notice advising Class Members of the Claims process.

(j) ***Class Counsel*** means Lerners LLP, as appointed by the Court in paragraph 4 of the Certification Order.

(k) ***Class Counsel Fees and Disbursements*** means all legal fees, costs, disbursements, and interest plus applicable taxes incurred by Class Counsel in the Action, including in respect of the Settlement Approval Hearing and any related appeals in respect of this settlement as well as the oversight of the appointment of the Settlement Administrator and implementation of the Pre-Approval Notice Plan, Settlement Approval Notice Plan, Distribution Protocol, and claims process as provided in the Distribution Protocol.

(l) ***Class or Class Member*** means respectively the class or individual class member as defined at paragraph 2 of the Certification Order, as follows:

(i) All persons, natural or corporate, carrying on operations as branches of The Royal Canadian Legion and other veterans, service, and legacy organizations operating in a similar manner to Legion Branches across Canada (except British Columbia) which were insured by and have submitted a claim to Aviva Insurance Company of Canada ("**Aviva**") under a Commercial Insurance Policy issued by Aviva on behalf of The Royal Canadian Legion, pursuant to the *PIB Provincial Command Insurance Program* ("***Legion Program***"), which included "Restricted Access" coverage and/or "Negative Publicity" coverage under Business Income Actual Loss Sustained Form (912000-01), and which claimed loss of business income:

(1) caused by the interruption of its business when ingress to or egress from its premises was restricted in whole or in part ("**Restricted Access**") by an order of civil authority, including the mandatory closure order made by the Province of Ontario on March 23, 2020, and similar closure orders made in all

Provinces and Territories in Canada in March or April 2020 (the "**Closure Orders**"), and/or

(2) caused by the interruption of its business when ingress to or egress from its premises was restricted in whole or in part by any subsequent order of civil authority, and/or

(3) as a direct result of an outbreak of COVID-19 within 25 kilometres of its premises (the "**Class Members**").

For better certainty, Class or Class Members does not include any persons, corporations, or other entities carrying on business that are members of the certified classes in the Denturists and Nordik Actions.

(m) ***Court*** means the Ontario Superior Court of Justice.

(n) ***Defendant*** means Aviva Insurance Company of Canada.

(o) ***Honorarium*** means the amount paid to the Plaintiff in recognition of their contribution to the Action, subject to approval by the Court.

(p) ***Participating Class Member*** means a Class Member who submits a valid Claim by the Claims Filing Deadline, as determined by the Claims Administrator.

(q) ***Settlement Agreement*** has the meaning attributed to it in paragraph 1.

(r) ***Settlement Amount*** means the all-inclusive amount of five million, five hundred twelve thousand, two hundred and seventy five dollars and fifty cents Canadian dollars (CAD $5,512,275.50).

(s) ***Settlement Funds*** means the Settlement Amount, less the Court-approved Class Counsel Fees and Disbursements, Honoraria, Accountant's Fees, and Administration Expenses.

(t) ***Simplified Calculation of Business Loss Percentage*** means the percentage determined by the Accountant to be a fair and accurate representation of the business income loss incurred by a Class Member for a 37-day period compared with annual revenue of Fiscal Year 2019, based on a full accounting of a representative sampling of Class Members completed by the Accountant.

(u) ***Trust Account*** means a segregated interest-bearing trust account at a Canadian Schedule I bank under the control of the Claims Administrator for the benefit of the Class

THE CLAIMS PROCESS

Notice to Class Members of Claims Process

4. Upon receiving Court approval, Class Counsel will provide Notice of the Settlement and the Claims Process to the Class Members in accordance with the notice program approved by the Court. The Notice will provide a link to the Online Claims Form, advise of the Claim Filing Deadline, explain the Claims Process, and invite Class Members to submit a Claim.

The Claim

5. Each Class Member may submit a Claim to receive a payment from the Settlement Funds.

6. Each Claim shall require the following:

(a) Class Member’s Local Branch Name and Number;

(b) Branch Address;

(c) Branch Banking Information;

(d) Authorized Contact Name;

(e) Authorized Contact Phone Number;

(f) Authorized Contact Email Address; and

(g) Branch Annual Financial Statement for Fiscal Year 2019.

Assistance in Filing a Claim

7. Class Members can contact the Claims Administrator, at no charge the Class Member, with questions about how to complete a Claim.

8. Class Members may utilize third-party claims services, a lawyer of their own choosing, or similar services to file Claims. If a Class Member chooses to use a third-party claims service, a lawyer of their own choosing, or similar services, the Class Member will be responsible for any and all expenses incurred in doing so.

The Online Claims Form

9. The Claims Administrator shall create an online claims form that Class Members can access in order to file a Claim. The online claims form shall contain fields that require

the Class Member to provide all applicable information required as part of the Claim, in accordance with paragraph 6.

10. Class Members will be encouraged to complete and submit a Claim electronically using the online claims form. If Class Member does not have internet access or is otherwise unable to submit a Claim using the online claims form, the Class Member can register over the telephone with the Claims Administrator and the Claims Administrator will advise the Class Member what to deliver in hardcopy by mail and the address to which it is to be sent.

11. Subject to paragraph 13 or further order of the Court, Claims must be submitted to the online claims form or postmarked no later than the Claims Filing Deadline.

12. Subject to the discretion of the Claims Administrator, Claims may not be amended after the Claims Filing Deadline. For greater clarity, “placeholder claims”—meaning inaccurate or incomplete Claims filed solely for the purpose of meeting the Claim Filing Deadline—will not be permitted.

Adjustments to Claims Process and Extension of the Claims Filing Deadline

13. To ensure a fair and efficient administration of the Settlement Funds, the Claims Administrator and Class Counsel may agree to extend the Claims Filing Deadline and/or adjust the claims process.

Review of Claims, Irregular Claims, and Claims Administrator Decisions

14. The claims process is intended to be expeditious, cost effective and “user friendly” to minimize the burden on Participating Class Members. The Claims Administrator shall, in the absence of reasonable grounds to the contrary, assume Participating Class Members to be acting honestly and in good faith.

15. The Claims Administrator shall use email for correspondence with Participating Class Members to the maximum extent possible.

16. The Claims Administrator shall review all Claims for (or implement processes to detect) deficiencies including incomplete fields, missing documentation, and duplicative or fraudulent claims.

17. Where a Claim contains minor omissions or errors, the Claims Administrator shall correct such omissions or errors if the information necessary to correct the omissions or errors is readily available to the Claims Administrator.

18. If, during claims processing, the Claims Administrator finds that deficiencies exist in a Claim or other information is required, the Claims Administrator shall notify Class Member by email or regular mail, of the deficiencies. The Claims Administrator shall allow the Class Member thirty (30) days from the date of such notice to correct the deficiencies. If the deficiencies are not corrected within the thirty (30) day period, the Claims Administrator shall reject the Claim.

19. In respect of each Class Member who has filed a Claim, the Claims Administrator shall:

(a) decide whether the Class Member is eligible to receive settlement benefits payable out of the Settlement Funds in accordance with this Distribution Protocol and any related Court orders; and

(b) At its sole discretion, the Claims Administrator can reject a Claim, in whole or in part, where, in the Claims Administrator's view, the Class Member has submitted insufficient or false information or has engaged in fraudulent conduct.

20. If the Claims Administrator determines a Class Member is not eligible or decides to reject a Claim, the Claims Administrator shall notify the Class Member and provide reasons for the decision.

Claims Evaluation Process

21. Once the Claims Filing Deadline, and extensions, and any cure periods have expired, the Claims Administrator shall:

(a) Calculate the value of each valid Claim by applying the Simplified Calculation of Business Loss Percentage to the Participating Class Member's annual revenue according to the Participating Class Member's submitted financial statements;

(b) Calculate the total value of all valid Claims;

(c) Determine the proportionate loss of each Participating Class Member with a valid Claim compared to the total value of all valid Claims;

(d) Calculate each Participating Class Member's proportionate share of the Settlement Funds; and

(e) Generate a proposed distribution of Settlement Funds to each Participating Class Member.

Payment of Claims

22. As soon as practicable after the Claims Evaluation Process is completed, the Claims Administrator shall:

(a) report to Class Counsel the particulars of the proposed distribution to each Participating Class Member; and

(b) pay approved Claims.

23. Participating Class Members will be paid by wire transfer. At the Claims Administrator's discretion, a Participating Class Member may be paid by cheque upon request by the Participating Class Member, but some or all of any additional cost of issuing payment may be deducted from that Participating Class Member's settlement benefits.

SUPPLEMENTAL DISTRIBUTIONS AND *CY PRES* DISTRIBUTION

24. If, six (6) months from the date on which the Claims Administrator distributes the Settlement Fund to Participating Class Members, the Trust Account remains in a positive balance (whether due to tax refunds, uncashed cheques, or otherwise), the Claims Administrator shall, if economically feasible, reallocate such balance among the Participating Class Members in an equitable and economic fashion. If, in the opinion of the Claims Administrator and Class Counsel, it is not feasible to reallocate any remaining balance among the Participating Class Members in an equitable and economic fashion, such balance shall be distributed *cy pres* to The Royal Canadian Legion Dominion Command Poppy Trust Fund.

THE CLAIMS ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

Supervisory Powers of the Court

25. The Claims Administrator shall administer this Distribution Protocol under the ongoing authority and supervision of the Court.

26. No action shall lie against Class Counsel or the Claims Administrator for any decision made in the administration of the Settlement Agreement and the Distribution Protocol without an order from a Court authorizing such an action.

Investment of Settlement Funds

27. The settlement funds shall be held in a guaranteed investment vehicle, liquid money market account or equivalent security with a rating equivalent to or better than that of a Canadian Schedule I bank (a bank listed in Schedule I of the *Bank Act*, SC 1991, c 46), held at a Canadian financial institution.

Taxes

28. The Claims Administrator shall take all reasonable steps to minimize the imposition of taxes upon the Settlement Funds while held in trust. Class Members shall be responsible for any taxes payable by them as a result of the receipt of any settlement funds.

Communication, Languages and Translation

29. Where a Claim is filed by a third-party claims agent or lawyer on behalf of a Class Member, unless the Class Member requests otherwise, all communications shall be made to the third-party claims agent or lawyer.

30. The Claims Administrator shall establish a dedicated email address for communication with Class Members.

31. The Claims Administrator shall dedicate sufficient personnel to respond to Class Members' inquiries in English or French, as the Class Member elects.

32. All written communications from the Claims Administrator to a Class Member shall be transmitted via email if an email address has been provided, or if an email address has not been provided, by regular mail.

Undeliverable Communications

33. The Claims Administrator shall have no responsibility for locating Class Members for any communication returned to the Claims Administrator as undeliverable. Where a communication has been returned as undeliverable, the Claims Administrator will not send any further correspondence, including payments, to that address.

34. The Claims Administrator shall have the discretion, but is not required, to reissue payments to a Class Member returned as undeliverable under such policies and procedures as the Claims Administrator deems appropriate. Any costs associated with locating current address information for the Class Member shall be deducted from that Class Member's settlement benefits.

Reporting

35. The Claims Administrator shall provide regular reports to Class Counsel regarding the administration.

36. The Claims Administrator shall provide any reports requested by the Court.

Assistance to the Claims Administrator

37. The Claims Administrator shall have the discretion to enter into such contracts and obtain financial, accounting, and other expert assistance as are reasonably necessary in the implementation of this Distribution Protocol.

SETTLEMENT CLASS MEMBER INFORMATION

Confidentiality

38. All information received from the Defendant, Class Counsel, or Class Members collected, used, and retained by the Claims Administrator for the purposes of administering this Distribution Protocol is protected under the *Personal Information Protection and Electronic Documents Act*, SC 2000 c 5. The information provided by Class Members is strictly private and confidential and will not be disclosed without the express written consent of the relevant Class Member, except in accordance with this Distribution Protocol and any related Court orders. Prior to implementing the Distribution Protocol, the Claims Administrator shall execute an undertaking that confirms its commitment to abide by the obligations set out in this paragraph.

Disposition of Claim Submissions

39. The Claims Administrator shall preserve, in hard copy or electronic form, as the Claims Administrator deems appropriate, the submissions relating to a Claim, until 1 year after the payment of Claims. At such time, the Claims Administrator shall destroy the submissions by shredding, deleting, or such other means as will render the materials permanently illegible.

Extension of Deadlines

40. By agreement between Class Counsel and the Administrator, any deadline contained in this Distribution Protocol may be extended if, in their opinion, acting reasonably, doing so will not adversely impact the efficient administration of the settlement and it is in the interest of one or more Class Members to do so.